

## Message Text

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PAGE 01 VIENNA 08272 051419Z

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ACTION EB-11

INFO OCT-01 EUR-06 ISO-00 DRC-01 XMB-01 TRSE-00 OMB-01

OPIC-01 CIAE-00 INR-10 NSAE-00 RSC-01 /033 W

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R 051341Z OCT 73

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 92

USDOC WASHDC

UNCLAS VIENNA 8272

COMMERCE FOR OIBA AND OIM/WE

E. O. 11652: N/A

TAGS: BEXP, AU, US

SUBJECT: JOINT VENTURE: AUSTRIAN NATIONALIZED INDUSTRIES SEEKING  
COOPERATION WITH US COMPANY TO PRODUCE MACHINE TOOLS IN AUSTRIA

REF: VIENNA 8248

1. DURING OCTOBER 2 CONSULTATIONS (SEE REFTEL), DR. FRANZ GEIST, DIRECTOR GENERAL OF OEIAG (HOLDING COMPANY OF AUSTRIAN NATIONALIZED INDUSTRIES) INDICATED STRONG INTEREST IN FINDING JOINT VENTURE PARTNER IN THE US TO ESTABLISH PRODUCTION OF ADVANCED METAL WORKING MACHINES AND OTHER MACHINE TOOLS IN AUSTRIA. OF PARTICULAR INTEREST ARE FULLY AUTOMATIC, NUMERICALLY CONTROLLED, MULTI-PURPOSE MACHINE TOOLS AND TRANSFER LINES. LOCAL PRODUCTION CURRENTLY TURNING OUT RELATIVELY UNSOPHISTICATED EQUIPMENT.

2. NATIONALIZED INDUSTRIES HAVE ADEQUATE PRODUCTION FACILITIES AND QUALIFIED ENGINEERING STAFF BUT ARE RELUCTANT TO DEVELOP OWN KNOWHOW RELATED TO ADVANCED MACHINE TOOLS. GEIST SEES GOOD MARKET OPPORTUNITIES IN WEST AND EAST EUROPEAN COUNTRIES.

3. AUSTRIAN PARTNER -- MOST LIKELY VOEST-ALPINE A.G.-- PREPARED TO OFFER MAJORITY PARTICIPATION (51:49, 60:40, ETC.) TO US COMPANY. SIMILAR JOINT VENTURE EXISTS WITH WEST GERMAN SIEMENS A.G. WHICH HOLDS OVER 50 PERCENT IN SIEMENS AUSTRIA, THE REST BELONGING TO  
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PAGE 02 VIENNA 08272 051419Z

OEIAG.

4. GEIST FURTHER INDICATED OEIAG AND GOA WOULD PROVIDE EVERY POSSIBLE ASSISTANCE TO FACILITATE JOINT VENTURE. TIME-TESTED SOCIAL AND POLITICAL STABILITY IN AUSTRIA CONSIDERED ONE OF MOST IMPORTANT INVESTMENT INCENTIVES. ACTION REQUESTED: INFORM POTENTIALLY INTERESTED

US MANUFACTURERS AND INDUSTRY ORGANIZATIONS AND NOTIFY EMBASSY OF POSITIVE REACTIONS. AS SOON AS WE HAVE NAMES OF INTERESTED FIRMS, WE WILL FOLLOW UP WITH DR. GEIST, WHO HAS INDICATED THAT HE WOULD ARRANGE APPROPRIATE APPOINTMENTS. MOWINCKEL

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## Message Attributes

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